

# Idaho Transportation Department

Analyst: Milstead

## Historical Summary

OPERATING BUDGET	FY 2005 Total App	FY 2005 Actual	FY 2006 Approp	FY 2007 Request	FY 2007 Gov Rec
<b>BY PROGRAM</b>					
Management and Admin Services	21,019,600	19,984,600	21,529,300	21,963,500	21,569,800
Planning	3,747,300	3,595,800	5,521,800	5,879,100	5,791,800
Motor Vehicles	17,786,900	17,156,100	18,077,200	21,360,700	20,808,500
Highway Operations	131,377,300	126,157,200	135,641,800	139,314,400	136,078,900
Capital Facilities	3,850,000	3,848,400	3,850,000	7,252,000	7,252,000
Contract Const/Right-of-Way Acq	383,123,800	276,978,200	284,018,100	293,199,800	297,492,700
Aeronautics	4,314,000	2,874,300	3,446,000	3,477,000	3,446,400
Public Transportation	4,221,400	4,174,600	4,241,400	8,981,500	8,957,000
<b>Total:</b>	<b>569,440,300</b>	<b>454,769,200</b>	<b>476,325,600</b>	<b>501,428,000</b>	<b>501,397,100</b>
<b>BY FUND CATEGORY</b>					
Dedicated	244,739,600	210,269,600	225,256,900	218,285,200	218,255,000
Federal	324,700,700	244,499,600	251,068,700	283,142,800	283,142,100
<b>Total:</b>	<b>569,440,300</b>	<b>454,769,200</b>	<b>476,325,600</b>	<b>501,428,000</b>	<b>501,397,100</b>
Percent Change:		(20.1%)	4.7%	5.3%	5.3%
<b>BY OBJECT OF EXPENDITURE</b>					
Personnel Costs	103,325,500	98,176,800	107,404,000	108,350,700	104,026,900
Operating Expenditures	55,694,100	53,892,500	64,608,800	75,859,300	75,859,300
Capital Outlay	396,498,000	295,894,700	288,606,100	301,142,400	305,435,300
Trustee/Benefit	13,922,700	6,805,200	15,706,700	16,075,600	16,075,600
<b>Total:</b>	<b>569,440,300</b>	<b>454,769,200</b>	<b>476,325,600</b>	<b>501,428,000</b>	<b>501,397,100</b>
Full-Time Positions (FTP)	1,833.50	1,833.50	1,833.50	1,833.50	1,833.50

## Department Description

The Idaho Transportation Department has eight budgeted programs:

1) The Management and Administrative Services program develops long-range budgetary plans; develops legislation and operates information systems; provides employee services, financial services, and facilities management; and coordinates research activities. 2) The Planning program coordinates the Department's strategic plan; coordinates transportation research efforts; provides a statewide transportation plan and schedules transportation projects; and assists local governments with transportation planning. 3) The Motor Vehicles program manages driver's licenses, vehicle registrations, license plates, and vehicle titles. 4) Highway Operations directs statewide highway maintenance and highway improvements; administers federal-aid safety improvement projects and safety tasks; protects highways from oversize, overweight, and dangerous usage; and develops projects to improve state and local highway systems to save lives. 5) Capital Facilities administers the design, building and maintenance of Department facilities. 6) Contract Construction & Right-of-Way Acquisition accounts for the funds necessary for highway construction projects that maintain and improve the state's highway system. 7) Aeronautics assists Idaho municipalities in developing their airports and operates the state's air fleet. 8) Public Transportation manages the federal transit grant programs and encourages coordinated transportation services throughout the state.

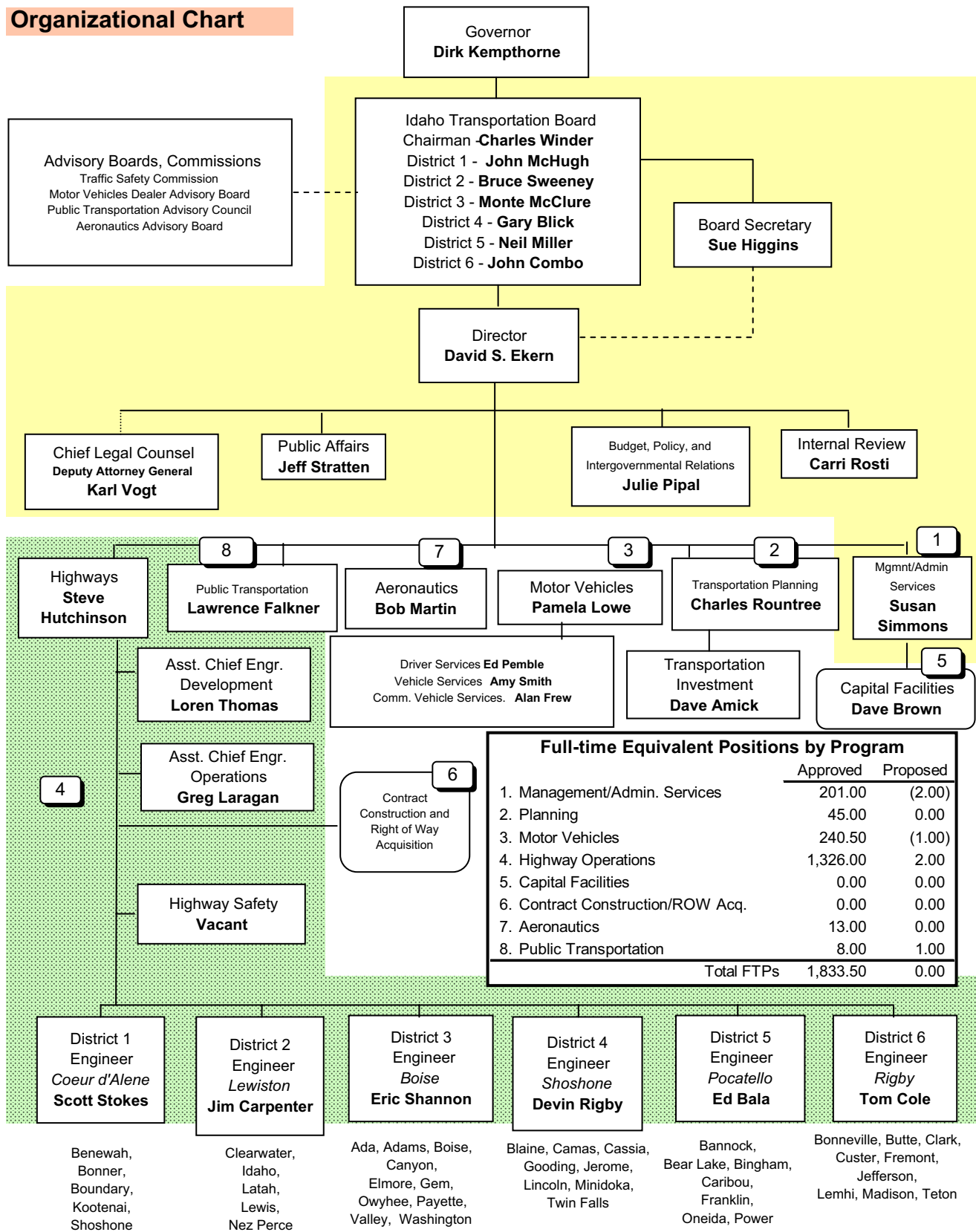
Beginning in FY 2007, the Legislature will act upon the department's initial request for GARVEE bonding authority (SB 1183, passed during the 2005 Session). To the extent the Legislature authorizes the sale of GARVEE bonds, the Legislature will also authorize the use of state matching funds for GARVEE debt service.

# Idaho Transportation Department

## Agency Profile

Analyst: Milstead

### Organizational Chart



# Idaho Transportation Department

## Agency Profile

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### Selected Key Services

1 Lane Miles by District	Dist. 1	Dist. 2	Dist. 3	Dist. 4	Dist. 5	Dist 6	Totals
Interstate	294	0	519	677	643	337	2,470
Principal Arterial	550	783	1,049	539	429	1,063	4,413
Minor Arterial	339	202	656	563	304	593	2,657
Collector	260	479	305	552	445	320	2,361
<b>Total State System</b>	<b>1,443</b>	<b>1,464</b>	<b>2,529</b>	<b>2,331</b>	<b>1,821</b>	<b>2,313</b>	<b>11,901</b>

### 2 System Condition

Fiscal Year	CY 2002 Act	CY 2003 Act	CY 2004 Act	CY 2005 Act
Statewide Deficient Pavement	15%	16%	19%	19%
By District				
Dist 1	12%	9%	12%	11%
Dist 2	12%	14%	17%	17%
Dist 3	22%	23%	21%	23%
Dist 4	12%	18%	20%	20%
Dist 5	7%	10%	15%	18%
Dist 6	19%	19%	24%	21%
By System				
Interstate	12%	13%	16%	19%
Non-Int. Routes	16%	17%	20%	19%

### 3 Other Data

Reduce fatality rate to 1.80* (5 yr. avg.)	1.85	2.03	1.75	NA
Increase seat belt usage to 76%	63%	72%	74%	76%
# counties receiving rural pub. transp. svcs.	23	22	27	28

\*Per 100 million annual vehicle miles of travel NA = Not available

### Sources/Uses of Funds

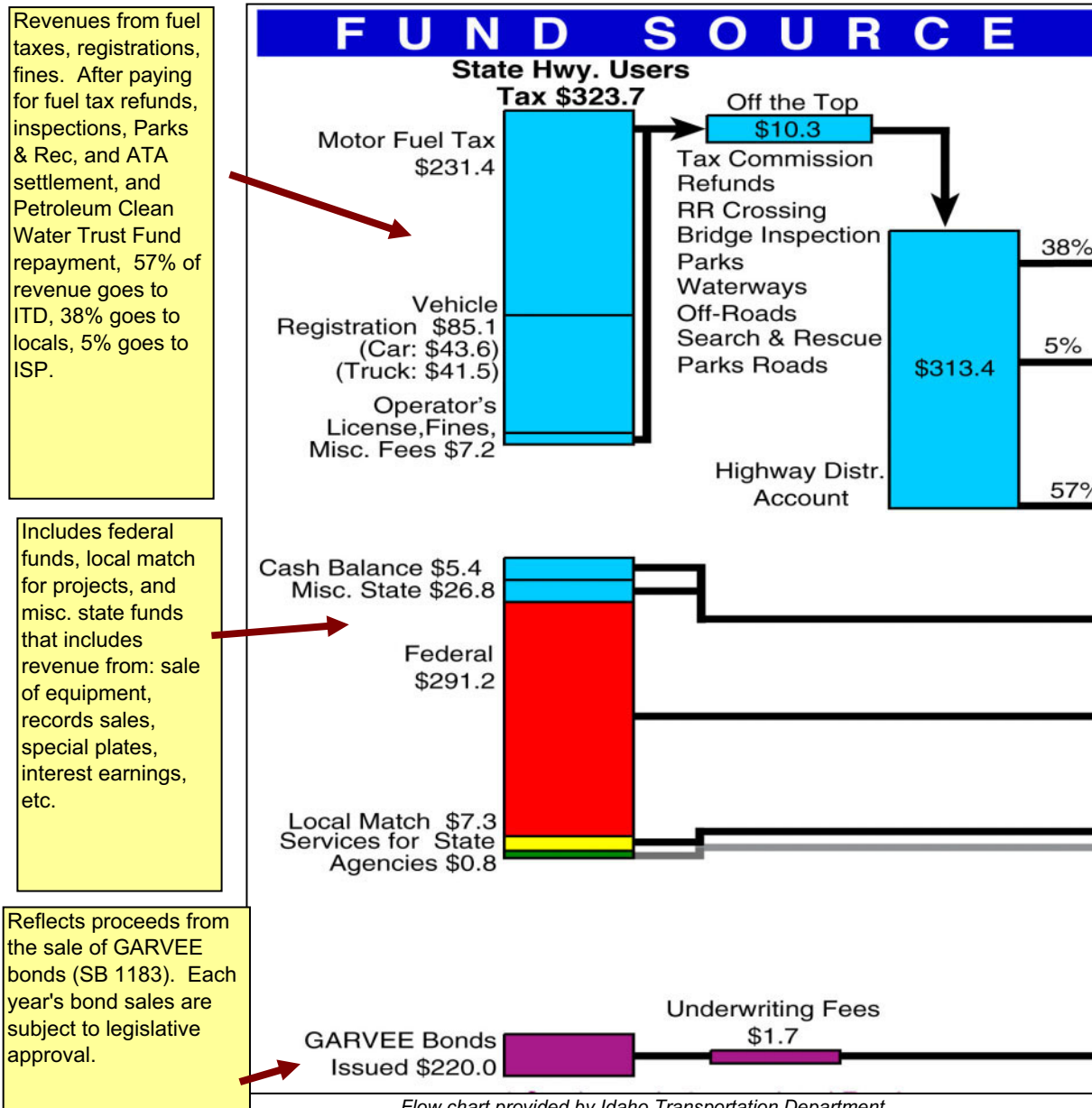
	<u>FY 06 Orig.</u> <u>App.</u>
<b>State Highway--Dedicated (0260-02):</b> Revenues from fuel taxes, registrations and fines. Used to pay for constructing, maintaining and administering the state highway system; used as a match for federal funds.	\$215,824,200
<b>State Highway--Federal (0260-03):</b> Federal aid used to reimburse state construction and improvement expenditures.	249,809,900
<b>State Highway--Billing (0260-04):</b> Revenues derived from billings to state agencies for services provided.	590,500
<b>State Highway--Local (0260-05):</b> Local funds deposited to the State Highway Fund used as match for construction and improvement projects.	6,605,000
<b>State Aeronautics--Dedicated (0221-02):</b> Aviation fuel tax levied on all aircraft engine fuel sold in the state. Used for licensing of aircraft and airmen, and for regulating operations of aircraft.	2,039,600
<b>State Aeronautics--Federal (0221-03):</b> Revenue from federal grants for airport maintenance/renovation projects.	1,258,800
<b>State Aeronautics--Billing (0221-02):</b> Receipts collected and used to offset the use of state-owned aircraft by other state agencies.	197,600
	<b>\$476,325,600</b>

# Idaho Transportation Department Agency Profile

Analyst: Milstead

## FY07 Idaho Transportation Dept. Request

The flow-charts on these two pages reflect ITD's funding mechanism as illustrated in its FY 2007 Request. The Department is financed entirely through a mix of dedicated, federal and local monies. The Idaho Constitution restricts the use of taxes and fees on motor vehicle fuels and registrations, requiring that these funds shall be used exclusively for the construction, repair and maintenance and traffic supervision of public highways.

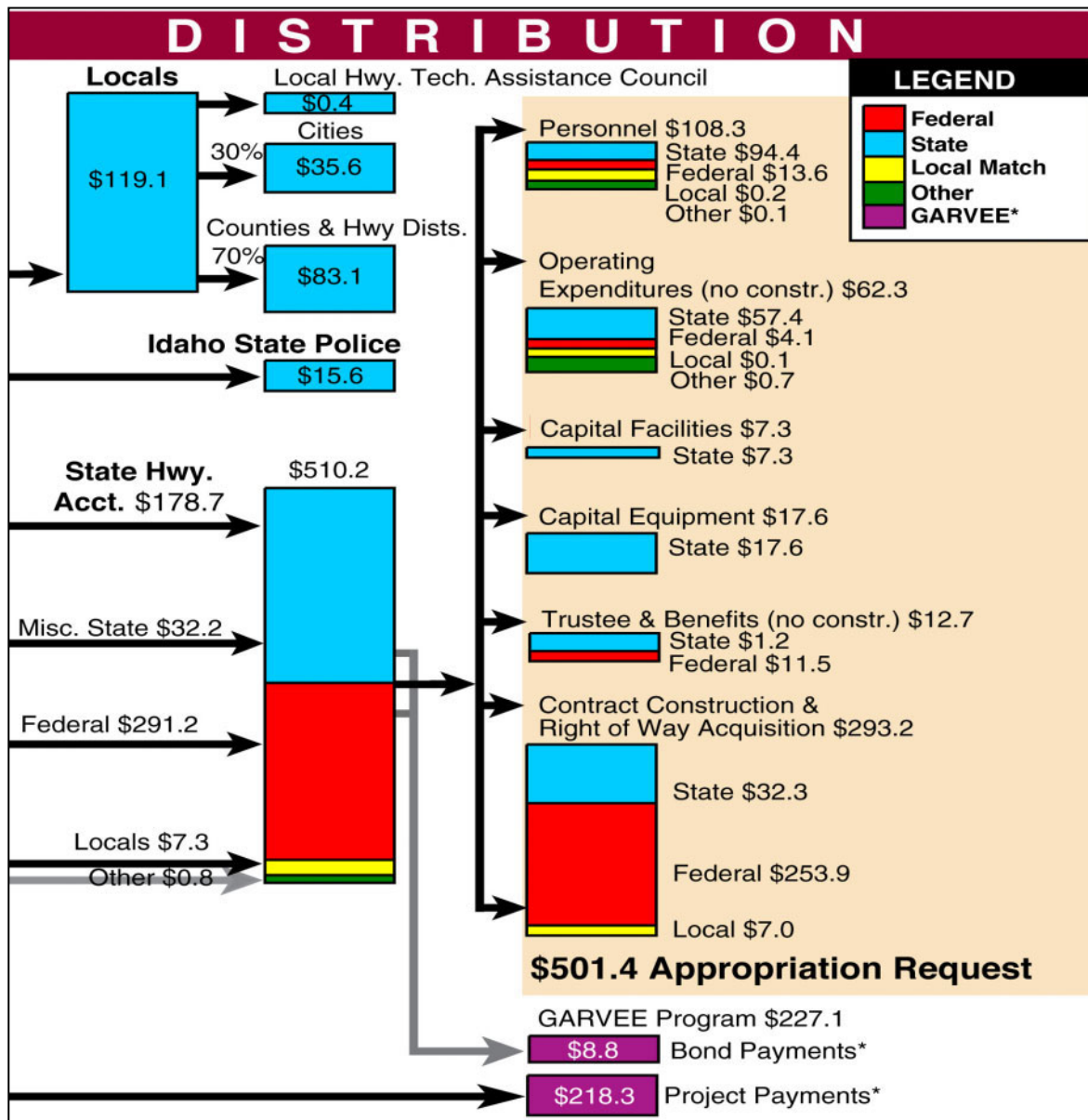


# Idaho Transportation Department Agency Profile

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## FY07 Idaho Transportation Dept. Request

This side of the page reflects the distribution of transportation dollars. The right-hand side (the shaded area) reflects the distribution of revenue for the Department's activities. The bulk of funding goes to Contract Construction and Right-of-Way Acquisition (\$293.2 million) with smaller amounts for Personnel Costs (\$108.3 million), Operating Expenditures (\$62.3 million) and other items. The total FY 2007 request is \$501.4 million; (GARVEE adds another \$227.1 million.)



Flow chart provided by Idaho Transportation Department.

# Idaho Transportation Department

## Agency Profile

Analyst: Milstead

### Replacement Items (by Division, by Type)

<u>Division</u>	<u>Type of Equipment</u>	<u>Request</u>
<b>Management &amp; Support</b>	Computer	362,500
	Misc.	331,700
	Office	2,000
	<i>Sub-total</i>	<i>696,200</i>
<b>Planning</b>	Misc.	77,700
	Computer	32,400
	<i>Sub-total</i>	<i>110,100</i>
<b>Motor Vehicles</b>	Misc.	128,200
	Communications	14,000
	Computer	77,200
	Office	5,800
	<i>Sub-Total</i>	<i>225,200</i>
<b>Highway Operations</b>	Buy-Back Program	5,832,500
	Road	7,676,900
	Motorized	1,377,100
	Computer	592,200
	Laboratory	447,500
	Misc.	217,300
	Engineering	33,900
	Shop	89,500
	Office	178,500
	Communications	68,200
	Replcmt. OE	800
	<i>Sub-total</i>	<i>16,514,400</i>
<b>Aeronautics</b>	Motorized	27,800
	Misc.	16,000
	Shop	9,500
	Office	6,500
	<i>Sub-total</i>	<i>59,800</i>
<b>Public Transportation</b>	Computer	4,900
	Office	1,000
	<i>Sub-total</i>	<i>5,900</i>
<b>TOTAL</b>		<b>17,611,600</b>

**GARVEE BONDS**  
**REQUEST FOR BONDING**  
**AUTHORITY**

SECTION \_\_\_\_\_. The Idaho legislature hereby approves bonding authority for the issuance of Grant Anticipation Revenue Vehicles (GARVEE) bonds by the Idaho Housing and Finance Association in a principal amount sufficient to finance the highway transportation projects listed in the fiscal note of this bill, in the amount of \$218,343,000. Such bonds are expected to be issued during calendar year 2006 and are expected to be paid from continuing appropriations of federal funds from the State Highway Account as provided in Section 40-707, Idaho Code, together with participating matching funds authorized by SECTION 2 this act.

SECTION \_\_\_\_\_. The Idaho Transportation Board is hereby authorized to transfer up to \$1,000,000 from within the State Highway Account to the GARVEE debt service fund to pay state match as required for federal funds committed to pay the annual scheduled debt service on GARVEE bonds for fiscal year 2007.

SECTION \_\_\_\_\_. An emergency existing therefore, which emergency is hereby declared to exist, this act shall be in full force and effect on and after its passage and approval.



# Idaho Transportation Department

## Agency Profile

Analyst: Milstead

### GARVEE Project Schedule and Estimates

GARVEE Projects	State Match	Phase	Delivery & Cost Estimates with Match			
			2006	2007	2008	3 Year Sum
US-95, Garwood to Sagle	7.34%	Preliminary Engineering	3,400,000	18,800,000		22,200,000
		Right-of-Way		20,000,000	20,000,000	40,000,000
		Utilities & Construction		3,000,000		3,000,000
		<b>Sum</b>	<b>3,400,000</b>	<b>41,800,000</b>	<b>20,000,000</b>	<b>65,200,000</b>
US-95, Worley to Setters	7.34%	Utilities & Construction	246,000	45,325,000		45,571,000
		<b>Sum</b>	<b>246,000</b>	<b>45,325,000</b>	<b>0</b>	<b>45,571,000</b>
US-95, Thorn Creek to Moscow	7.34%	Utilities & Construction			30,000,000	30,000,000
US-95, Smokey Boulder to Hazard Creek	7.34%	Preliminary Engineering		6,650,000	0	6,650,000
South Emmett to Mesa	7.34%	Preliminary Engineering	500,000	1,000,000	0	1,500,000
I-84 to South Emmett	7.34%	Preliminary Engineering	500,000	1,000,000	0	1,500,000
I-84, Caldwell to Meridian	7.73%	Preliminary Engineering	2,770,000	5,600,000	0	8,370,000
		Right-of-Way		5,200,000		5,200,000
		Utilities & Construction			56,450,000	56,450,000
		<b>Sum</b>	<b>2,770,000</b>	<b>10,800,000</b>	<b>56,450,000</b>	<b>70,020,000</b>
I-84, Orchard to Isaacs Canyon	7.73%	Preliminary Engineering	1,000,000	28,870,000	0	29,870,000
		Right-of-Way		17,700,000	5,750,000	23,450,000
		Utilities & Construction		9,400,000		9,400,000
		<b>Sum</b>	<b>1,000,000</b>	<b>55,970,000</b>	<b>5,750,000</b>	<b>62,720,000</b>
SH-75, Timmerman to Ketchum	7.34%	Preliminary Engineering		2,200,000		2,200,000
		Right-of-Way		500,000	9,000,000	9,500,000
		Utilities & Construction			8,000,000	8,000,000
		<b>Sum</b>	<b>0</b>	<b>2,700,000</b>	<b>17,000,000</b>	<b>19,700,000</b>
Twin Falls Alternate Route & Snake River EIS	7.34%	Preliminary Engineering		5,100,000	0	5,100,000
		Utilities & Construction			23,000,000	23,000,000
		<b>Sum</b>	<b>0</b>	<b>5,100,000</b>	<b>23,000,000</b>	<b>28,100,000</b>
US-30, McCammon to Soda Springs	7.34%	Preliminary Engineering	4,600,000	6,900,000	0	11,500,000
		Utilities & Construction		18,082,000	36,000,000	54,082,000
		<b>Sum</b>	<b>4,600,000</b>	<b>24,982,000</b>	<b>36,000,000</b>	<b>65,582,000</b>
GARVEE Program Management	7.34%	Preliminary Engineering	5,000,000	5,000,000	5,000,000	15,000,000
Sum of Costs	7.47%	Preliminary Engineering	17,770,000	81,120,000	5,000,000	103,890,000
		Right-of-Way	0	43,400,000	34,750,000	78,150,000
		Utilities & Construction	246,000	75,807,000	153,450,000	229,503,000
		<b>Sum</b>	<b>18,016,000</b>	<b>200,327,000</b>	<b>193,200,000</b>	<b>411,543,000</b>

<b>Bonding Estimates as of: 12/28/05</b>	2006	2007	2008	<b>3 Year Total</b>
Project Costs		218,343,000	193,200,000	411,543,000
Underwriting Fees		1,650,000	1,459,900	3,109,900
Bonds Issued		219,993,000	194,659,900	414,652,900
Annual Payment: for Bonds Issued During the Year - in Years of Full Amortization		17,582,000	17,201,000	
Cummulative Annual Payment: for All Bonds Issued - in Years of Full Amortization		17,582,000	34,783,000	
State Funds used for Bond Payments - Partial 1st Year Amortization		657,100	1,953,700	2,610,800
Federal Funds used for Bond Payments - Partial 1st Year Amortization	0	8,133,900	24,228,800	32,362,700
Federal Apportionment (SAFETEA-LU)	264,199,700	278,589,200	288,460,500	
Statutory Cap (Federal Funds used for Bond Payments, as Percentage of Fed. Apportionment)	20.0%	20.0%	20.0%	
Federal Funds used for Bond Payments, as Percentage Federal Apportionment	0.0%	2.9%	8.4%	

**Notes:** Projects, schedules, match rates, and costs are estimates and are subject to change as normal during the project development process. Many GARVEE projects in this list are composed of multiple projects accomplishing stages or phases of the whole. Costs shown do not necessarily reflect the total cost of a project. This list shows only GARVEE costs from 2006 through 2008. Bond Assumptions: 4.75% interest rate, 0.75% underwriting fees, 18 yr amortization, partial amortization in year of bond issuance, full amortization in years thereafter.



# Idaho Transportation Department

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## Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
<b>FY 2006 Original Appropriation</b>	<b>1,833.50</b>	<b>0</b>	<b>476,325,600</b>	<b>1,833.50</b>	<b>0</b>	<b>476,325,600</b>
Reappropriations	0.00	0	112,198,500	0.00	0	112,198,500
HB 395 One-time 1% Salary Increase	0.00	0	874,900	0.00	0	874,900
1. Federal Reauthorization	0.00	0	39,534,500	0.00	0	39,534,500
Omnibus CEC Supplemental	0.00	0	0	0.00	0	1,003,100
<b>FY 2006 Total Appropriation</b>	<b>1,833.50</b>	<b>0</b>	<b>628,933,500</b>	<b>1,833.50</b>	<b>0</b>	<b>629,936,600</b>
Non-Cognizable Funds and Transfers	0.00	0	0	0.00	0	0
<b>FY 2006 Estimated Expenditures</b>	<b>1,833.50</b>	<b>0</b>	<b>628,933,500</b>	<b>1,833.50</b>	<b>0</b>	<b>629,936,600</b>
Removal of One-Time Expenditures	0.00	0	(174,140,900)	0.00	0	(174,140,900)
Base Adjustments	0.00	0	(18,546,400)	0.00	0	(14,775,500)
<b>FY 2007 Base</b>	<b>1,833.50</b>	<b>0</b>	<b>436,246,200</b>	<b>1,833.50</b>	<b>0</b>	<b>441,020,200</b>
Benefit Costs	0.00	0	1,736,400	0.00	0	(2,334,800)
Inflationary Adjustments	0.00	0	1,102,000	0.00	0	1,102,000
Replacement Items	0.00	0	17,611,600	0.00	0	17,611,600
Statewide Cost Allocation	0.00	0	208,800	0.00	0	208,800
Change in Employee Compensation	0.00	0	868,700	0.00	0	1,603,200
Nondiscretionary Adjustments	0.00	0	2,497,600	0.00	0	2,497,600
<b>FY 2007 Program Maintenance</b>	<b>1,833.50</b>	<b>0</b>	<b>460,271,300</b>	<b>1,833.50</b>	<b>0</b>	<b>461,708,600</b>
1. Salary Equity Adjustment	0.00	0	1,990,200	0.00	0	0
2. DMV IT Initiative	0.00	0	3,000,000	0.00	0	3,000,000
3. Dist. Office & Operations Facilities	0.00	0	3,402,000	0.00	0	3,402,000
4. Digitized Instruction Permit	0.00	0	50,000	0.00	0	50,000
5. Contract Const. --Fed. Reauthorization	0.00	0	27,222,800	0.00	0	27,744,800
6. Public Transp.--Fed. Reauthorization	0.00	0	5,491,700	0.00	0	5,491,700
7. Shift to Personnel Cost	0.00	0	0	0.00	0	0
8. GARVEE Authorization	0.00	0	0	0.00	0	0
<b>FY 2007 Total</b>	<b>1,833.50</b>	<b>0</b>	<b>501,428,000</b>	<b>1,833.50</b>	<b>0</b>	<b>501,397,100</b>
Change from Original Appropriation	0.00	0	25,102,400	0.00	0	25,071,500
% Change from Original Appropriation			5.3%			5.3%

# Idaho Transportation Department

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>FY 2006 Original Appropriation</b>					
	1,833.50	0	225,256,900	251,068,700	476,325,600

## Reappropriations

## Contract Construction, Aeronautics

The Department's FY 2006 appropriation authorized ITD to carryover FY 2005 unencumbered balances from the Contract Construction and Right-of-Way Acquisition program for that same purpose in FY 2006. That amounted to \$31.4 million in state dedicated state highway funds, \$1.7 million in local funds, and \$78 million in federal funds. The appropriation bill also authorized carryover of State Aeronautics Fund balances for trustee and benefit payments to be used for Airport Development Grants which amounted to about \$1.1 million.

Agency Request	0.00	0	33,617,700	78,580,800	112,198,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>33,617,700</i>	<i>78,580,800</i>	<i>112,198,500</i>

## HB 395 One-time 1% Salary Increase

Reflects a one-time 1% Change in Employee Compensation (CEC) increase.

Agency Request	0.00	0	765,600	109,300	874,900
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>765,600</i>	<i>109,300</i>	<i>874,900</i>

## 1. Federal Reauthorization

Reflects increased federal funding for the current budget year due to Congress' reauthorization of the federal transportation bill in late Spring of 2005.

Agency Request	0.00	0	0	39,534,500	39,534,500
<i>Recommended.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>39,534,500</i>	<i>39,534,500</i>

## Omnibus CEC Supplemental

Agency Request	0.00	0	0	0	0
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*The Governor's FY 2007 recommendation is a 3% ongoing increase in employee compensation (CEC), based on merit, to commence in FY 2006 with the January 29 pay period. This will allow agencies to fund employee compensation increases for ten pay periods prior to the end of the current fiscal year. Funding for the remaining 16 pay periods is provided in the FY 2007 CEC.*

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>876,300</i>	<i>126,800</i>	<i>1,003,100</i>
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## FY 2006 Total Appropriation

Agency Request	1,833.50	0	259,640,200	369,293,300	628,933,500
<i>Governor's Recommendation</i>	<i>1,833.50</i>	<i>0</i>	<i>260,516,500</i>	<i>369,420,100</i>	<i>629,936,600</i>

## Non-Cognizable Funds and Transfers

Reflects transfer of spending authority between programs including: \$56,400 realignment from Highway Operations to Management and Support; also reflects transfer of 2.0 FTP to Highway Operations (one from Management Support and one from Motor Vehicles).

Agency Request	0.00	0	0	0	0
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

## FY 2006 Estimated Expenditures

Agency Request	1,833.50	0	259,640,200	369,293,300	628,933,500
<i>Governor's Recommendation</i>	<i>1,833.50</i>	<i>0</i>	<i>260,516,500</i>	<i>369,420,100</i>	<i>629,936,600</i>

# Idaho Transportation Department

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>Removal of One-Time Expenditures</b>					
Removes funding providing for HB395, the 27th pay period, and other one-time items, including increases from federal reauthorization (\$39,534,500), reappropriation (\$112,198,500), and replacement items (\$18,000,000).					
Agency Request	0.00	0	(55,480,800)	(118,660,100)	(174,140,900)
Governor's Recommendation	0.00	0	(55,480,800)	(118,660,100)	(174,140,900)
<b>Base Adjustments</b>					
Includes the following adjustments: transfer of 1.0 FTP from Management and Support to Public Transportation; a base reduction in Motor Vehicles reflecting reductions for group costs due to a lesser need for temporary personnel, and various other shifts to properly align spending authority. Also reflects a base reduction in Contract Construction of \$18,292,900 necessitated by nondiscretionary program cost increases in other programs and the cost of initiatives in other programs.					
Agency Request	0.00	0	(18,337,600)	(208,800)	(18,546,400)
Governor's Recommendation	0.00	0	(14,566,700)	(208,800)	(14,775,500)
<b>FY 2007 Base</b>					
Agency Request	1,833.50	0	185,821,800	250,424,400	436,246,200
Governor's Recommendation	1,833.50	0	190,469,000	250,551,200	441,020,200
<b>Benefit Costs</b>					
Includes the employer-paid portion of estimated changes in employee benefit costs. The two biggest factors are health insurance rates and retirement rates. Health insurance is projected to increase by 6.1% or \$436 per position. Retirement rates are scheduled to increase by 5.9% from 10.39% to 11% of salary for regular employees and by 5.7% from 10.73% to 11.34% of salary for police and firefighters. Other benefit changes include minor adjustments in unemployment insurance rates and workers compensation rates.					
Agency Request	0.00	0	1,521,600	214,800	1,736,400
<i>Removes the PERSI rate increase and changes benefit costs to reflect a 3.5% or \$250 per FTP increase in health insurance costs. However, the change in health insurance providers, from Blue Shield to Blue Cross, has created a one-time opportunity to use unexpended reserves from the previous contract. This decision unit provides for a health insurance premium reduction equal to two month's premiums for both the employer and employee. Finally, a life insurance holiday is included equal to seven month's premium for the employer's share only.</i>					
Governor's Recommendation	0.00	0	(2,057,200)	(277,600)	(2,334,800)
<b>Inflationary Adjustments</b>					
Includes a general inflationary increase of 1.9% in operating expenditures and trustee/benefit payments.					
Agency Request	0.00	0	826,000	276,000	1,102,000
<i>Recommended.</i>					
Governor's Recommendation	0.00	0	826,000	276,000	1,102,000

# Idaho Transportation Department

Analyst: Milstead

## Budget by Decision Unit

	FTP	General	Dedicated	Federal	Total
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### Replacement Items

Includes the following for replacement items, by Division: Management and Support--computer equipment (\$362,500), infrastructure improvement (\$310,500), office equipment (\$2,000), other miscellaneous equipment (\$21,200).

Planning Division: computer equipment (\$77,700) and other miscellaneous equipment (\$32,400).

Motor Vehicles--computer equipment (\$77,200), communication equipment (\$14,000), office equipment (\$5,800), miscellaneous county equipment (\$65,000), POE scales and related equipment (\$59,000), and other miscellaneous equipment (\$4,200).

Highway Operations--\$5,832,500 to replace equipment under the department's "Buy-Back Program", \$7,676,000 in road equipment, motorized equipment (\$1,377,100), computer equipment (\$592,000), laboratory equipment (\$447,500), office equipment (\$178,500), shop equipment (\$89,500), communications equipment (\$68,200), engineering equipment (\$33,900) and other miscellaneous equipment (\$217,300).

Aeronautics Division--motorized equipment (\$27,800), shop equipment (\$9,500), office equipment (\$6,500), and other miscellaneous equipment (\$16,000).

Public Transportation--computer equipment (\$4,900) and office equipment (\$1,000).

Agency Request	0.00	0	17,611,600	0	17,611,600
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*Recommended.*

Governor's Recommendation	0.00	0	17,611,600	0	17,611,600
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### Statewide Cost Allocation

The Statewide Cost Allocation Plan assesses state agencies for their actual use of Attorney General, State Controller and State Treasurer services and includes changes in property and casualty insurance premiums. This decision unit also includes changes in fees charged for legislative audits and changes in the cost of office space leased to state agencies by the Department of Administration.

This also reflects the Department's request for additional attorney services from the Attorney General's Office. The Department notes it has experienced continued growth in its construction and right-of-way acquisition activities. Related workload and cases requiring legal services provided by the AG's office to the Department have experienced similar growth. The cost of the additional attorney services is \$84,300. The Department is also requesting \$5,000 in spending authority for operating expenditures to cover travel, training, and other operating costs as well as \$3,900 for a computer and office furniture. [NOTE: The FTP and General Fund request associated with this position appear in the budget request of the Office of the Attorney General and total \$84,300].

Agency Request	0.00	0	208,800	0	208,800
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Governor's Recommendation	0.00	0	208,800	0	208,800
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### Change in Employee Compensation

Calculated cost of a 1% salary increase for permanent and group positions.

Agency Request	0.00	0	758,800	109,900	868,700
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*Provides funding for the remaining 16 pay periods to annualize the 3% ongoing change in employee compensation recommended in the omnibus CEC supplemental.*

Governor's Recommendation	0.00	0	1,400,400	202,800	1,603,200
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# Idaho Transportation Department

Analyst: Milstead

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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## Nondiscretionary Adjustments

Reflects nondiscretionary adjustments including increases in electricity costs (\$136,100), desktop software maintenance (\$56,100), gasoline costs (\$1,857,900), digital driver license volume increase (\$200,000), natural gas increase (\$107,700), postage (\$76,000), registration decal volume and rate increase (\$62,500) and a modest software contract increase (\$1,400).

Agency Request	0.00	0	2,497,600	0	2,497,600
Governor's Recommendation	0.00	0	2,497,600	0	2,497,600

## FY 2007 Program Maintenance

Agency Request	1,833.50	0	209,246,200	251,025,100	460,271,300
Governor's Recommendation	1,833.50	0	210,956,200	250,752,400	461,708,600

## 1. Salary Equity Adjustment

### Agency-wide

The Department requests \$1,990,200 in dedicated fund spending authority to address employee retention and recruitment difficulties. The Department states that it is challenged to deliver a pay-for-performance system that is meaningful and that recognizes and reinforces good performance. The Department states that employees are losing ground due to inflation combined with little or no wage increases over the last several years. The Department states that employees are being lured away by the Department's competitors (cities, counties, consulting firms, and construction companies). The agency states it has experienced difficulty maintaining competitive position in the market in retaining skilled employees, recruiting and hiring qualified new employees, and have been unable to predictably and consistently provide pay-for-performance increases. The Department notes that trades/crafts and professional groups with five or more years of service with ITD are voluntarily separating employment. ITD believes that targeted pay for these critical jobs is essential to continue to retain skilled employees for which the Department has invested training dollars.

Agency Request	0.00	0	1,748,100	242,100	1,990,200
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*Not recommended by the Governor. The Governor also does not support a lump sum budget for this agency.*

Governor's Recommendation	0.00	0	0	0	0
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## 2. DMV IT Initiative

### Motor Vehicles

The Department requests \$3,000,000 in on-going dedicated fund spending authority to begin the outsourcing of Information Technology (IT) for the Division of Motor Vehicles. This request represents phase one of a plan that will ultimately result in contracting with a provider who will be responsible for purchasing hardware and obtaining software to support the functions and provide the maintenance and upgrading of the systems. The transition will begin with the Vehicle Services Section and will be followed by the Driver Services Section. The Department states that the plan will result in an IT system which will modernize the current antiquated system and improve delivery of services to the public.

Agency Request	0.00	0	3,000,000	0	3,000,000
Governor's Recommendation	0.00	0	3,000,000	0	3,000,000

# Idaho Transportation Department

Analyst: Milstead

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>3. Dist. Office &amp; Operations Facilities</b>					<b>Capital Facilities</b>
<p>The Department requests \$3,402,000 in dedicated fund spending authority for a new District Four facility. This request is part of a state-wide effort by the Department to address its District facilities and operations. The new District Four facility is estimated to cost \$5,117,000. Of that amount, \$1,715,000 will be allocated toward the project from the base Capital Facilities budget. The balance of the project--\$3,402,000--is requested in this line-item.</p> <p>The Department notes that across the state, district operations are conducted in a conglomeration of facilities, some of which have been in operation for over 45 years. Numerous modifications and system retrofits have been incorporated into these structures to address operational changes. These changes have resulted in fragmented space and outdated building systems. All facilities experience overcrowded conditions and an environment that is not conducive to a productive working environment. The Department also notes that the existing facilities provide little or no flexibility to accommodate the department's technological and operational needs. Current building, health and safety code requirements for upgrading existing facilities and the extent of modifications necessitated by operations make upgrades to these facilities problematic.</p>					
Agency Request	0.00	0	3,402,000	0	3,402,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>3,402,000</i>	<i>0</i>	<i>3,402,000</i>
<b>4. Digitized Instruction Permit</b>					<b>Motor Vehicles</b>
<p>The Department requests \$50,000 in dedicated fund spending authority to provide for the issuance of Supervised Instruction Permit (SIP) plastic cards in addition to the issuance of a paper SIP. The Department believes this will provide a better service to law enforcement and drivers, by providing a card that is recognizable as a driver permit. The card can also serve as an identity document with a photo. The current SIP required for drivers under the age of 17 is a paper form that is used as a driver's license during driver training and the four-month supervised driving period. This paper form presents numerous problems for examiners, instructors, students, and parents. The current forms do not contain a picture of the driver; they are subject to excessive wear and destruction, are illegally photocopied, and must be frequently replaced due to damage or loss.</p>					
Agency Request	0.00	0	50,000	0	50,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>50,000</i>	<i>0</i>	<i>50,000</i>
<b>5. Contract Const. --Fed. Reauthorization</b>					
<p>This adjusts spending authority to reflect increases under reauthorization provided by SAFETEA-LU (HR3), including federal funding provided in two new programs: Border infrastructure (\$1,023,300) and Safe Routes to Schools (\$1,000,000). The request changes the level of appropriated spending authority, by fund source in the Contract Construction and Right-of-Way Acquisition program to the projected spending authority needed for the purchase of right-of-way and make payments to private contractors for work performed on projects. This projected level of increased funding is expected to be available during FY 2007 as detailed in Apportionment Tables published by the Federal Highway Administration for SAFETEA-LU (HR3).</p>					
Agency Request	0.00	0	687,000	26,535,800	27,222,800
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>694,900</i>	<i>27,049,900</i>	<i>27,744,800</i>

# Idaho Transportation Department

Analyst: Milstead

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>6. Public Transp.--Fed. Reauthorization</b>					
<b>Planning, Highway Operations, Public Transp.</b>					
The Department requests \$5,491,700 in spending authority due to increased funding levels provided under federal reauthorization. Funding increases are related to higher funding levels in the following programs: Public Transportation--\$4,725,400 (\$4,639,400 in federal funds and \$86,000 for state match) reflecting increases for the Federal Highway Administration Metropolitan Planning Organization, existing Federal Transit Administration programs, and other FTA programs. The Division of Planning will receive an additional \$303,800 (\$237,900 in federal funds and \$65,900 for state match) while the Division of Highway Operations will receive an estimated \$462,500. These increases total \$5,339,800 in federal funding and a state match in spending authority of \$151,900.					
Agency Request	0.00	0	151,900	5,339,800	5,491,700
<i>Recommended.</i>					
Governor's Recommendation	0.00	0	151,900	5,339,800	5,491,700

## 7. Shift to Personnel Cost

The Department requests intent language (see below) be included in its FY 2007 appropriation bill. This language would allow ITD to shift up to \$15.4 million in spending authority to personnel costs from other object codes (either operating expenditures or capital outlay) and budget units. This would allow the department to address compensation matters which are resulting in the loss of qualified and competent staff. The requested language reads:

"Notwithstanding the provisions of Sections 67-3602 (Payment of Salaries and Wages) and 67-3511 (Transfer of Legislative Appropriations), the Idaho Transportation Department is hereby authorized to make transfers of spending authority not to exceed \$15,400,000 in fiscal year 2007 to Personnel Costs for the purpose of funding employee salaries as determined by the Idaho Transportation Board, in order to address compensation issues."

The shift proposed in this request would occur under the direction of the Idaho Transportation Board and after the Department's FY 2007 budget is approved.

Agency Request	0.00	0	0	0	0
<i>The Governor does not support a lump sum budget for this agency.</i>					
Governor's Recommendation	0.00	0	0	0	0



# Idaho Transportation Department

Analyst: Milstead

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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## 8. GARVEE Authorization

The Department requests GARVEE Bonding Authority, as a separate item of its budget request, pursuant to Idaho Code Section 40-315(4). The Department requests bonding authority for the issuance of highway transportation bonds in a principal amount sufficient to finance the highway transportation projects (project amount of \$218,343,000). (See GARVEE Project List preceding the "Comparative Summary"). Such bonds are expected to be issued during calendar year 2006 and are expected to be paid from continuing appropriations of federal funds from the State Highway Account.

The Transportation Board has selected and designated the highway transportation projects listed on the Project List to be partially funded with proceeds of bonds to be issued during calendar year 2006. These projects are included as part of the list of eligible transportation projects set forth in Idaho Code Section 40-315(1)(b).

As required by statute, the Board shall limit annual scheduled debt service and other bond-related expenses during FY 2007 through FY 2010 to not more than 20% of annual federal-aid highway funds reasonably expected to be received by the Department during the related fiscal year. For fiscal years 2011 and thereafter, the Board shall limit annual scheduled debt service and other bond-related expenses to no more than 30% of annually federal-aid highway funds expected to be received by the Department during the related fiscal year.

The Department requests that the GARVEE authorization include an emergency clause allowing this authorization to become effective upon passage and approval.

Agency Request	0.00	0	0	0	0
<i>Recommended.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

<b>FY 2007 Total</b>					
Agency Request	1,833.50	0	218,285,200	283,142,800	501,428,000
<i>Governor's Recommendation</i>	<i>1,833.50</i>	<i>0</i>	<i>218,255,000</i>	<i>283,142,100</i>	<i>501,397,100</i>

Agency Request					
Change from Original App	0.00	0	(6,971,700)	32,074,100	25,102,400
% Change from Original App	0.0%		(3.1%)	12.8%	5.3%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>0</i>	<i>(7,001,900)</i>	<i>32,073,400</i>	<i>25,071,500</i>
<i>% Change from Original App</i>	<i>0.0%</i>		<i>(3.1%)</i>	<i>12.8%</i>	<i>5.3%</i>